

December 12, 2007

Via Electronic Mail

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the
Federal Reserve System
20th St. & Constitution Ave., N.W.
Washington, D.C. 20551

Department of Treasury
Office of Critical Infrastructure
Protection and Compliance Policy
Main Treasury Building – Rm. 1327
Washington, D.C. 20220

Re: Proposed Rules Implementing Unlawful Internet Gambling Enforcement Act
Federal Reserve Board Docket No. R-1298;
Treasury Docket No. Treas-DO-2007-0015

Dear Ms. Johnson:

Corporate One Federal Credit Union (“Corporate One”) appreciates the opportunity to comment on the Proposed Rules (“Proposed Rules”) implementing the Unlawful Internet Gambling Enforcement Act issued by the Federal Reserve Board and the Department of Treasury (collectively as “Agencies”).

Corporate One is a federally insured corporate credit union serving natural person credit unions throughout the country. Corporate One regularly engages in Automated Clearinghouse (“ACH”) transactions as well as wire transfer system transactions and correspondent services.

Given the proposed impact on operations, Corporate One believes the Proposed Rules should broadly exempt third party processors and intermediary financial institutions. Corporate One maintains this position, because third party processors and intermediary financial institutions do not actually own the accounts involved, nor do they have direct interaction with those engaged in unlawful Internet gambling. Consequently, third party processors and intermediary financial institutions are not in a position to identify restricted transactions.

The following comments more specifically address the Proposed Rules.

I. Definitions

Given the Proposed Rules definition of a “restricted transaction,” Corporate One is concerned about the ability to determine whether or not a specific transaction involves “unlawful Internet gambling.” Corporate One believes greater clarity is necessary from the Agencies in order to distinguish between transactions that are lawful and those that are unlawful.

II. Implementation Date

Corporate One does not believe it is reasonable to have the Proposed Rules become effective six months after the joint final rules are published. In order to achieve compliance with this law, financial transaction providers will have to perform comprehensive reviews of operations and develop appropriate policies and procedures. In order to comprehensively complete the reviews, policies and procedures, Corporate One believes a minimum of twelve months is necessary following adoption of the final rules.

III. ACH Systems

The Proposed Rules would provide an exemption for the ACH system operator, the RDFI in ACH debit transactions and the ODFI in ACH credit transactions. However, Corporate One believes this exemption should also include the ODFI in ACH debit transactions, the RDFI in ACH credit transactions and third party processors, which are not in a position to identify the gambling business. Should the exemption not apply, Corporate One believes significant time and resources would need to be devoted to “unbundle” ACH transactions and attempt to determine whether any transactions would be deemed restricted.

IV. Check Collection Systems

Corporate One supports the position to exempt check clearing houses. As a provider of settlement services, Corporate One does not have a direct relationship with either the payor or the payee. Consequently, Corporate One would not be in a position to obtain information from either party regarding the transaction to determine whether the particular share draft should be a restricted transaction under the Internet Gambling Enforcement Act.

V. Wire Transfer Systems

The Proposed Rules would provide an exemption for the originator’s bank and intermediary banks. Corporate One agrees with the Agencies that it is not practical for these banks to identify and block a particular wire transfer under the Act.

VI. Reasonably Designed Policies and Procedures

Corporate One supports the Agencies' Proposed Rules regarding due diligence policies and procedures during regular account opening procedures. Such due diligence, including the confirmation of a member's (customer) business, appears to be necessary in order to effectively identify a business involved in unlawful Internet gambling.

VII. List of Unlawful Internet Gambling Businesses

Corporate One believes the Proposed Rules should require the development and maintenance of a list of businesses that have been deemed to engage in unlawful Internet gambling. It is the opinion of Corporate One that such a list would facilitate the ability to efficiently identify businesses engaged in unlawful Internet gambling and effectively block their transactions.

Corporate One acknowledges the challenges faced by the Agencies to implement rules for the Unlawful Internet Gambling Enforcement Act. Thank you in advance for your consideration of Corporate One's comments.

Sincerely,



Karen Cak Niederkoeh
Staff Attorney / Compliance Officer

cc: Mr. Kent Buckham, Director of the Office of Corporate Credit Unions, National
Credit Union Administration